

Preliminary Council Budget

July 1, 2019- June 30, 2020

State Council on Developmental Disabilities



Explanation of Terms

- Expenditure – Items bought and paid for within a fiscal year
- Calendar Year – January 1 thru December 31
- State Fiscal Year – July 1 thru June 30
- Federal Fiscal Year – October 1 thru September 30th



What is a budget?

- It's a spending plan
 - An itemized summary of likely income and expenses for a given period
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- Basic State Grant (Federal Funds)
 - Quality Assessment (State Contract)
 - Clients' Rights Advocates/Volunteer Advocacy Services (State Contract)



THE BUDGET PROCESS

Dates	State Budget Process	Federal Budget Process	SCDD Budget Process
January	<u>January 10</u> <ul style="list-style-type: none"> Governor releases proposed budget for State Fiscal Year (SFY) starting July 1. Legislative Analyst's Office (LAO) submits analysis of the proposed budget. 	<ul style="list-style-type: none"> Federal agencies develop their funding proposals for potential inclusion in the President's proposed budget for the upcoming FFY. 	<ul style="list-style-type: none"> HHS Secretary reports to the Council on the Governor's proposed HHS budget for the upcoming budget year (BY) beginning July 1. Staff prepares the 6-month expenditure report, analysis and expenditure projections for the current year (CY) budget.
February	<u>February 1</u> <ul style="list-style-type: none"> Department of Finance (DOF) provides to the Legislature all proposed statutory changes (Budget Trailer Bills), that are necessary to implement the Governor's Budget. 	<u>Typically, by the first Monday in February</u> <ul style="list-style-type: none"> The President gives Congress his proposed budget for the Federal Fiscal Year (FFY) starting October 1. 	<u>February-April</u> <ul style="list-style-type: none"> Staff monitor both the Governor's proposed budget and the President's proposed HHS budget and incorporates the proposed funding into the SCDD's proposed operating budget.
March	<u>February-April</u> <ul style="list-style-type: none"> Legislative budget subcommittee staff hold budget pre-hearings with LAO, DOF and departments. (SCDD funding is included in the Health & Human Services Agency budget assigned to Assembly and Senate Budget Sub Committees. Legislative budget subcommittees hold budget hearings. 	<u>March-September</u> <ul style="list-style-type: none"> The House and Senate each draft a budget resolution setting overall spending levels. 	<ul style="list-style-type: none"> Staff presents the proposed SCDD operating budget to the Executive and Administration Committees for approval as well as CY expenditure data, analysis and projections.
April	<u>April 1</u> <ul style="list-style-type: none"> DOF issues May Revision update of revenues and expenditures. 	<ul style="list-style-type: none"> A conference committee of House and Senate members resolves differences to create a final version that each chamber votes on. 	<ul style="list-style-type: none"> Staff presents the proposed SCDD operating budget to the full Council for preliminary approval, pending any May Revision changes or federal funding changes.
May	<u>May 11</u> <ul style="list-style-type: none"> Governor releases May Revision proposed budget. Legislative budget committees hold May Revise budget hearings to approve changes. Budget Act and Trailer Bills are sent to the floors for a vote. Conference committee of Assembly and Senate reconciles differences. 	<ul style="list-style-type: none"> House and Senate appropriations committees divide the budget resolution into 12 appropriations bills. (SCDD funding is included in the Labor, Health & Human Services appropriations bills assigned to the Labor, Health & Human Services and Related Agencies subcommittees) 	<u>May-June</u> <ul style="list-style-type: none"> Staff presents the final proposed SCDD operating budget to the full Council for final approval as well as the final estimate of unspent funds from the CY.

THE BUDGET PROCESS CONTINUED

Dates	State Budget Process	Federal Budget Process	SCDD Budget Process
June	<u>June 15</u> <ul style="list-style-type: none"> Constitutional deadline for the Legislature to pass the Budget Act. <u>By June 30</u> <ul style="list-style-type: none"> The Governor signs the Budget Act. 	<ul style="list-style-type: none"> The full House and Senate vote on their bills. 	
July	<u>July 1</u> SFY begins	<ul style="list-style-type: none"> Both versions of each bill go to a conference committee to merge the two. 	<u>July-June</u> <ul style="list-style-type: none"> Staff monitors expenditures to the approved budget.
August	<ul style="list-style-type: none"> Departments begin preparing the next year's budget change proposals (BCPs) and submit them to DOF for possible inclusion in the January 10 Governor's proposed budget. 	<ul style="list-style-type: none"> Both chambers vote on the merged version and if approved, it goes to the President. 	<u>August</u> <ul style="list-style-type: none"> Staff prepares the year-end expenditure report.
September	<u>September-December</u> <ul style="list-style-type: none"> DOF approves/rejects BCPs and works with departments on the completion of required adjustments. 	<u>By September 30</u> <ul style="list-style-type: none"> The President signs the 12 bills into law. (Short term continuing resolutions (CR) to temporarily fund the government while Congress and the President negotiate have become common) 	<u>August-September</u> <ul style="list-style-type: none"> Staff determines if any BCPs are needed for the next year. If yes, submits them to DOF (BCPs are confidential until released as part of the Governor's proposed budget on January 10)
October	<ul style="list-style-type: none"> Departments submit their budget galleys to DOF for inclusion in the January 10 Governor's proposed budget. 	<u>October 1</u> <ul style="list-style-type: none"> FFY begins. If bills are not signed and there is no CR, all or part of the government shuts down. 	<u>October-December</u> <ul style="list-style-type: none"> Staff calculates the federal funds carryforward from the FFY ending September 30.
November		<u>November-December</u> Federal agencies develop their funding proposals for potential inclusion in the President's proposed budget for the upcoming FFY.	<ul style="list-style-type: none"> Depending on the timing of award of our federal funding, staff may recommend one-time and ongoing budget increases/reductions to the Executive and Administration committees and the full Council.
December	<ul style="list-style-type: none"> The details of the Governor's proposed budget are confidential until it is released on January 10. 		

State Council on Developmental Disabilities

State Council Budgeted Base Preliminary Fiscal Year 2019-20 Budget

Categories	Basic State Grant (BSG)	Clients' Rights Advocates/ Volunteer Advocacy	Quality Assessment	TOTAL
	Federal Grants	State Grants	State Grants	
1. Personal Services:				
Net Salaries & Wages	\$ 3,469,000	\$ 927,000	\$ 1,393,000	\$ 5,789,000
Temporary Help / Honorarium	\$ 87,000	\$ -	\$ -	\$ 87,000
Worker's Compensation	\$ 55,000	\$ 5,000	\$ 3,000	\$ 63,000
Staff Benefits	\$ 1,872,000	\$ 436,000	\$ 664,000	\$ 2,972,000
Total Personnel Services	\$ 5,483,000	\$ 1,368,000	\$ 2,060,000	\$ 8,911,000
2. Operating Expense and Equipment:				
General Expense	\$ 75,000	\$ 75,000	\$ 55,000	\$ 205,000
Printing	\$ 45,000	\$ 9,000	\$ 245,000	\$ 299,000
Communications	\$ 100,000	\$ 25,000	\$ 10,000	\$ 135,000
Postage	\$ 20,000	\$ 14,000	\$ 380,000	\$ 414,000
Travel-in-State :	\$ 335,000	\$ 64,000	\$ 40,000	\$ 439,000
Out-of-State Travel	\$ 20,000	\$ -	\$ -	\$ 20,000
Training (Tuition and Registration)	\$ 10,000	\$ 15,000	\$ 2,000	\$ 27,000
Facilities Operations (Rent)	\$ 600,000	\$ 24,000	\$ 245,000	\$ 869,000
Utilities	\$ 6,000	\$ -	\$ 2,000	\$ 8,000
Interdepartmental Services:	\$ 411,000	\$ 134,000	\$ 156,000	\$ 701,000
External Contract Services	\$ 75,000	\$ 3,000	\$ 3,000	\$ 81,000
Data Processing (Peripherals, Software licenses, etc.)	\$ 15,000	\$ 18,000	\$ 10,000	\$ 43,000
Statewide Cost Allocation Plan (SWCAP)	\$ 25,000	\$ -	\$ -	\$ 25,000
Other Items of Expense	\$ 5,000	\$ 91,000	\$ 80,000	\$ 176,000
Total Operating Expense and Equipment	\$ 1,742,000	\$ 472,000	\$ 1,228,000	\$ 3,442,000
3. Community Grants	\$ 260,000	\$ -	\$ -	\$ 260,000
4. Total Council Budget (1 + 2 + 3)	\$ 7,485,000	\$ 1,840,000	\$ 3,288,000	\$12,613,000
5. Total Estimated Basic State Grant Award	\$ 7,499,029			
6. Difference between Budget and Estimated Basic State Grant Award	\$ 14,000			
7. Prior Year Unexpended Balance as of December 31, 2018	\$ 1,831,686			

2019 BUDGET

**PRELIMINARY
ITEMIZED 19/20
BUDGET**

PRELIMINARY ITEMIZED 19-20 BUDGET

PERSONAL SERVICES – SALARIES & WAGES

- The Personal Services category contains a single line item that includes the salaries, wages and benefits of the staff and the Honoraria payments to the members.



▀ PERSONAL SERVICES

Salaries & Wages, Including Benefits

\$8,911,000

- ❖ Includes 3.5% general salary increase, 5% merit increases to eligible staff and increases to retiree and current employee health benefit contributions.

Specific examples include:

- Civil Service Salaries
- Social Security and Medicare taxes
- Health, Dental and Vision Insurance contributions
- PERS Retirement contributions
- State Disability Insurance tax
- Unemployment insurance tax
- Life Insurance
- Temporary help wages (Retired Annuitants, Graduate Student Interns)
- Council Member Honorarium



OPERATING EXPENSE & EQUIPMENT



The Operating Expenses category consists of several line items that cover all the statewide operational costs of doing business.

PRELIMINARY ITEMIZED 19-20 BUDGET

General Expense

\$205,000

- ❖ There is an increase to this line item to establish the computer “equipment refresh” schedule.

This line item includes a wide variety of expenses that may not fall under specific line items.

- Office supplies [paper, pens, staples, etc.]
- Office equipment purchase and service contracts
- Association dues, membership fees and subscriptions to publications.
- Meeting rooms, conference facilities and fees
- Office relocation-[movers]



PRELIMINARY ITEMIZED 19-20 BUDGET

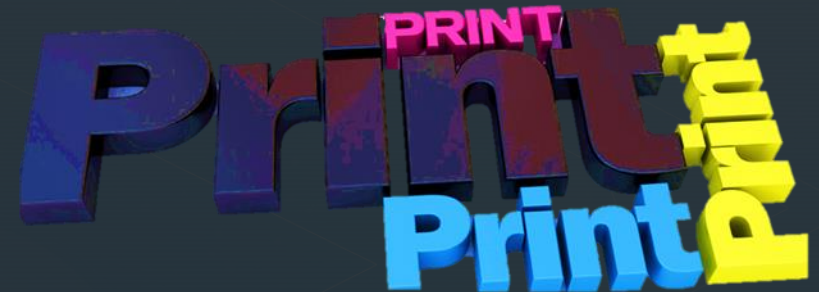
Printing

\$299,000

❖ Unchanged from 18-19

This line item includes the production of all printed materials such as:

- Council and committee agenda packets
- Pamphlets, leaflets, brochures, etc.
- State Plan and reports
- Printed manuals, forms, stationery and business cards
- Office copier supplies [toner, ink]



PRELIMINARY ITEMIZED 19-20 BUDGET

Communications

\$135,000

- ❖ Increased funding for this line item for Policy and Communications expenses deemed necessary by the Public Information Officer.

This line item includes all telecommunication related expenses such as:

- Telephones and Mobile devices (iPhone, iPad, wireless Internet access devices)
- Data lines for Internet access in Headquarters and regional offices
- Toll free 800 number
- Conference call services



PRELIMINARY ITEMIZED 19-20 BUDGET

Postage

\$414,000

❖ Unchanged from 18-19

This line item includes postage related expenses such as:

- Postage meter rental, repairs, postage refills and stamps
- Overnight mail [FedEx, UPS]



PRELIMINARY ITEMIZED 19-20 BUDGET

In-State Travel

\$439,000

❖ Unchanged from 18-19

This line item includes all staff and member travel expenses within California such as:

- Airfare
- Taxi, bus, shuttle, rental car, Uber, Lyft fare
- Personal car mileage, parking expenses and bridge tolls for staff
- Hotel rooms
- Meal allowances and incidentals [per diem]
- Travel agency fees



PRELIMINARY ITEMIZED 19-20 BUDGET

Out - of - State Travel

\$20,000

❖ Unchanged from 18-19

Same as in-state travel but for travel outside California approved by the Governor.



PRELIMINARY ITEMIZED 19-20 BUDGET

Training

\$27,000

❖ Unchanged from 18-19

This line item includes required and desired trainings for staff and members and the costs of staff providing SCDD-related training in the community. Examples include:

- Ethics, Sexual Harassment, Basic Supervision, Leadership and other required trainings
- Tuition and training fees
- Training materials [books and supplies]



PRELIMINARY ITEMIZED 19-20 BUDGET

Facilities Operations

\$869,000

- ❖ Increased funding to accommodate annual lease rate increases.

This line item includes the monthly lease/rent costs for Headquarters and the 12 regional offices.



PRELIMINARY ITEMIZED 19-20 BUDGET

Utilities

\$8,000

❖ Unchanged from 18-19

This line item includes the monthly water, electricity, gas and trash expenses in offices where they are not included in the lease/rent agreement.



PRELIMINARY ITEMIZED 19-20 BUDGET

Inter-departmental Services

\$701,000

❖ Unchanged from 18-19

This line item includes the cost of contracts with other state agencies for required services such as:

- Department of Social Services [accounting and IT support]
- Department of Human Resources (CalHR) [HR advice and consultation]
- Department of Justice [expert legal advice and litigation]
- Department of General Services [facilities support, purchase order and contract review]
- Department of Technology [website maintenance and support]
- State Controller [expedited processing of payments]



PRELIMINARY ITEMIZED 19-20 BUDGET

External Contract Services

\$81,000

❖ Unchanged from 18-19

This line item includes the costs of contracts with non-governmental entities and local vendors for required services such as:

- Janitorial services for field offices where it is not included in the lease/rent agreement
- Worksite evaluations
- Captioning and interpreter services
- Consultants, presenters



PRELIMINARY ITEMIZED 19-20 BUDGET

SWCAP

\$25,000

The Statewide Cost Allocation Plan (SWCAP) represents the SCDD's share of support for statewide general administrative costs (i.e., indirect costs incurred by central service agencies) from federal funding sources. By statute, SCDD's share is fixed at \$25,000. This charge applies only to the federal Basic Support Grant as the CRA/VAS and QA programs are funded by the Department of Developmental Services, which is a non-federal funding source.



PRELIMINARY ITEMIZED 19-20 BUDGET

Other Items of Expenses

\$176,000

For BSG this line item captures miscellaneous charges that don't fall under the other line items. For CRA/VAS and QA this line item captures the volunteer advocate stipends and QA in-person interviewer stipends.



PRELIMINARY ITEMIZED 19-20 BUDGET

Community Program Development Grants

\$260,000

- ❖ Currently unchanged from 18-19, but the Council is considering an additional \$190,000 one-time increase.

The community development (Cycle) grants are competitively awarded annually as directed by the Council.



■ TOTAL PRELIMINARY 19/20 COUNCIL BUDGET ALL PROGRAMS

Basic State Grant (BSG)	\$7,485,000
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Federal Funds

Quality Assessment (QA)	\$3,288,000
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State Contract

Client's Rights Advocates	\$1,840,000
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Volunteer Advocacy(CRA/VAS)

State Contract

Total Council Budget	\$12,613,000
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Questions?



UNEXPENDED FUNDS AVAILABLE FOR COUNCIL FUNDING



- Staff recommends the Council consider keeping three months of expenditures (\$1,5 million dollars) on hand always to cover unexpected delays in funding. While SCDD funding was not impacted by the partial government shutdown, we still did not receive funding until December 29th and were fortunate to have sufficient unspent funds available.
- SCDD's Administrative and Executive Committees recommend retaining \$1.5 million dollars in reserve for this purpose.
- This would leave \$331,586 available for Council consideration.

FUNDING RECOMMENDATIONS

Committee



- Employment First Committee

Remove the cap on the number of members the Employment First Committee can have to more than the statutorily required members.

\$12,000

FUNDING RECOMMENDATIONS



- **Office Technicians**

Rescind the sharing of Office Technicians (OT) between offices. Restore one OT for the North State office and North Bay office.

\$71,000

FUNDING RECOMMENDATIONS



- Program Development Grants

Provide a one-time increase in program development grants Cycle 42 in addition to the \$260,000 in the preliminary 19/20 budget for a grand total of \$450,000.

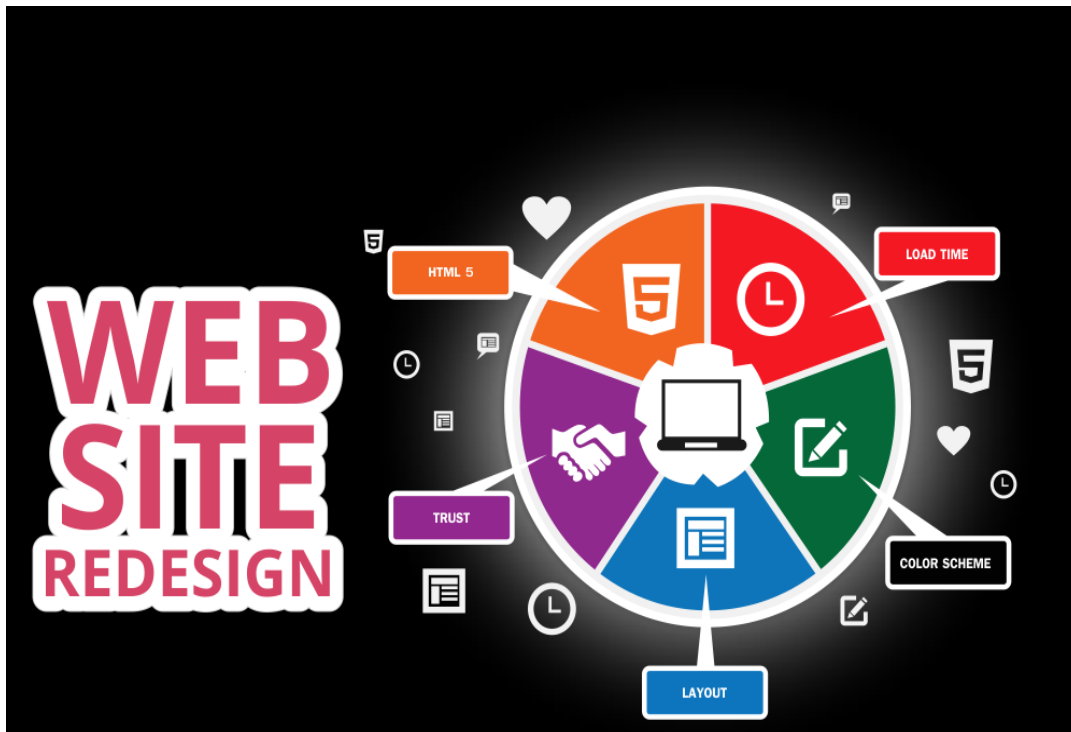
\$190,000

FUNDING RECOMMENDATIONS

■ SCDD Website Redesign

Staff will work with Department of Technology to convert to the new State website template and better highlight Council activities.

\$50,000



FUNDING RECOMMENDATIONS SUMMARY

❖ Total funds available

\$331,856

- | | | |
|---|-----------|----------|
| • Employment First Committee | \$12,000 | Ongoing |
| • Re-establishing Office Technician Positions | \$71,000 | Ongoing |
| • Program Development Grants | \$190,000 | One-Time |
| • SCDD Website Redesign | \$50,000 | One-Time |

❖ Total Proposed

\$323,000